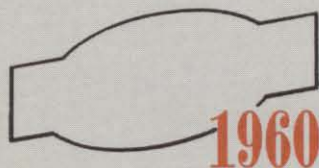


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THE FRITO COMPANY



1960 ANNUAL REPORT



1960 ANNUAL REPORT

DIRECTORS

WILLIAM D. BAIRD <i>Executive Vice President, Mrs. Baird's Bakeries, Inc.</i>	EMIL JURICA <i>Treasurer, The Frito Company</i>
CHAS. E. BEARD <i>President, Braniff Airways, Incorporated</i>	C. B. PETERSON, JR. <i>President, Texas Bank and Trust Company</i>
R. V. DANCEY <i>Senior Vice President, The Frito Company</i>	H. H. ROUSSEAU <i>Investments</i>
JACK JOHANNES <i>Vice President and General Counsel, The Frito Company</i>	FLADGER F. TANNERY <i>Executive Vice President, The Frito Company</i>
JOHN D. WILLIAMSON <i>President, The Frito Company</i>	

OFFICERS

JOHN D. WILLIAMSON <i>President</i>	JOHN R. MCCARTY <i>Vice President for Advertising</i>
FLADGER F. TANNERY <i>Executive Vice President</i>	JACK L. KELLEY <i>Vice President for Sales</i>
R. V. DANCEY <i>Senior Vice President</i>	W. LAMAR LOVVORN <i>Secretary and Controller</i>
ARCH C. WEST <i>Vice President for Marketing</i>	EMIL JURICA <i>Treasurer</i>
JACK JOHANNES <i>Vice President and General Counsel</i>	ERNESTINE PUTNAM <i>Assistant Secretary</i>

DIVISIONAL OPERATING VICE PRESIDENTS

GEORGE EDMONDS <i>New Era Division</i>	GEORGE P. PARKER <i>Western Division</i>
GEORGE H. HUTCHINGS <i>Northwestern Division</i>	HARRY M. TUNSTALL <i>Southwestern Division</i>
RUSSELL C. MILLER <i>Nicolay-Dancey Division</i>	R. L. WILLIS <i>Eastern Division</i>
FRED J. WEISS* <i>Canadian Division</i>	

*The Frito Company of Canada, Ltd.

THE FRITO COMPANY

Executive Offices: Exchange Bank Building, 100 Exchange Park North,
Dallas 35, Texas

Auditors: Arthur Young & Company, Dallas, Texas

Registrar and Transfer Agent: Texas Bank & Trust Co., Dallas, Texas

The information contained herewith is not given in connection with any sale or offer of,
or solicitation of any offer to buy, any securities.

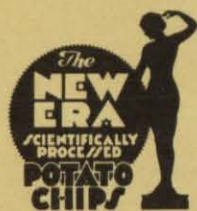


THE FRITO COMPANY SUMMARY OF PROGRESS

(NEAREST \$1,000)

	1960	1959	1958	1957	1956
Net Sales	\$68,627,000	\$59,366,000	\$51,257,000	\$45,632,000	\$40,586,000
Income Before Taxes	5,317,000	4,750,000	3,226,000	3,088,000	2,296,000
Taxes on Income	2,731,000	2,509,000	1,694,000	1,563,000	1,156,000
Net Income	2,586,000	2,241,000	1,532,000	1,525,000	1,140,000
Shares of Common Stock Outstanding at End of Year	1,650,095	1,598,059	1,528,798	1,502,618	1,481,740
Earnings Per Common Share					
Before Taxes	3.22	2.97	2.11	2.05	1.55
Provision for Income Tax	1.65	1.57	1.11	1.04	.78
Net	1.57	1.40	1.00	1.01	.77
Cash Dividends	980,000	789,000	568,000	309,000	348,000
Shareholders' Equity	13,632,000	11,415,000	8,625,000	7,469,000	6,772,000
Book Value Per Share	8.26	7.14	5.64	4.97	4.57
Net Working Capital	3,417,000	4,149,000	3,965,000	1,407,000	1,703,000
Current Ratio	1.57	1.86	1.92	1.29	1.46
Property, Plant, and Equipment					
Cost	19,071,000	15,986,000	12,921,000	9,334,000	7,451,000
Accumulated Depreciation	5,821,000	5,018,000	3,977,000	2,716,000	2,302,000
Net	13,250,000	10,968,000	8,944,000	6,618,000	5,149,000
Depreciation and Amortization	1,394,000	1,217,000	991,000	713,000	555,000
Total Assets	\$23,635,000	\$20,361,000	\$17,705,000	\$13,303,000	\$11,185,000

The above summary includes retroactively the accounts of all companies which have joined The Frito Company by means of "pooling of interests." The accounts of companies acquired otherwise are included from dates of acquisition. The number of shares outstanding and the per share amounts are adjusted to reflect the two-for-one stock split effective March 17, 1959. In addition to the cash dividends shown, a 5% stock dividend was declared in 1957 and paid in 1958.



TO THE SHAREHOLDERS OF THE FRITO COMPANY

The company's areas of distribution and volume of production continued to grow in 1960, thus marking the twenty-seventh consecutive year of this upward trend. With general business conditions of the nation on a downward trend during the major portion of the year, the company's growth in 1960 was not quite as rapid as was anticipated at the beginning of the year. The rate of growth, however, was excellent and far better than records of progress of many of the nation's business enterprises, since both sales and earnings of The Frito Company for the year increased more than 15 percent above its record year of 1959.

FINANCIAL RETURNS FROM OPERATIONS — The financial results of operations in 1960 showed net earnings of \$2,586,186, a 15.4 percent increase over the net earnings reported in 1959. The per share earnings were \$1.57 compared with \$1.36 in 1959 on the basis of 1,650,095 shares outstanding at the end of the fiscal year. The Board of Directors, in March, 1960, raised the quarterly dividend rate from 12½¢ to 15¢ per share. This was the third consecutive year for the dividend rate to be increased. The chart on Page 5 shows the earnings and cash dividend record of the company for the past seven years.

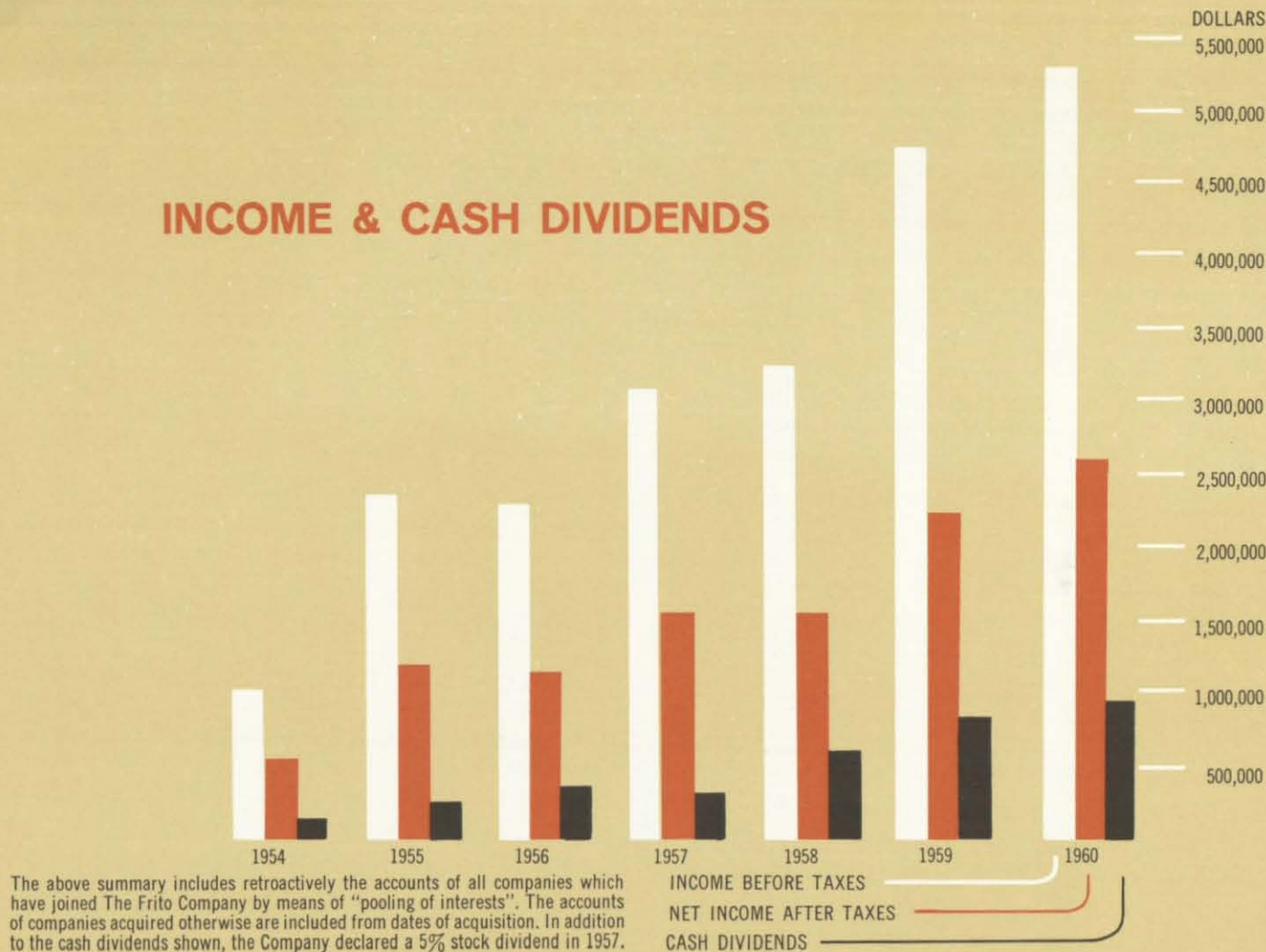
The company's common stock throughout 1960 was again of much interest to the investing public. This interest was evidenced particularly by the number of mutual fund companies and investment banking houses that sent representatives to visit and analyze the company's operations and by the number of these latter concerns that prepared analysis sheets for distribution to their customers. The stock was actively traded in over-the-counter markets in volumes averaging about 30,000 to 35,000 shares per month. Approximately 1,600 new stockholders purchased an interest in the company in 1960, and at the end of the year the number of stockholders had increased to approximately 5,600.

PRODUCT SALES — Consumer demand and increased general public acceptance of the company's products brought the sales volume in 1960 to an all-time high of \$68,627,186 compared with \$59,365,981 in 1959, or an increase of 15.6 percent. This record represents the 27th consecutive year for a sales increase and demonstrates the company's predominant place, with consumers of both corn chips and potato chips, as a producer of high quality products. The chart on Page 6 shows the sales growth for the past seven years.

This wide-spread public acceptance of Fritos corn chips and the other quality products of the company have created valuable assets on which some companies have attempted to capitalize by placing on the market products with package designs very similar to those of The Frito Company. In these cases, prompt legal action has been taken for trademark infringement. The company has been highly successful in protecting its trademarks and will continue vigorously to protect its legal rights should similar instances occur in the future.

During 1960 the company introduced, in most of its market areas, a complete line of Fritos brand pretzels, and, toward the end of the year, began to market three new dip mixes. The distribution of these new products will be extended during 1961 into most of the company's other market areas in the United States. The dip mixes will be available in very attractively designed packages bearing the labels: Fritos Bleu Cheese, Fritos Onion, and Fritos Garlic-Olive.

INCOME & CASH DIVIDENDS

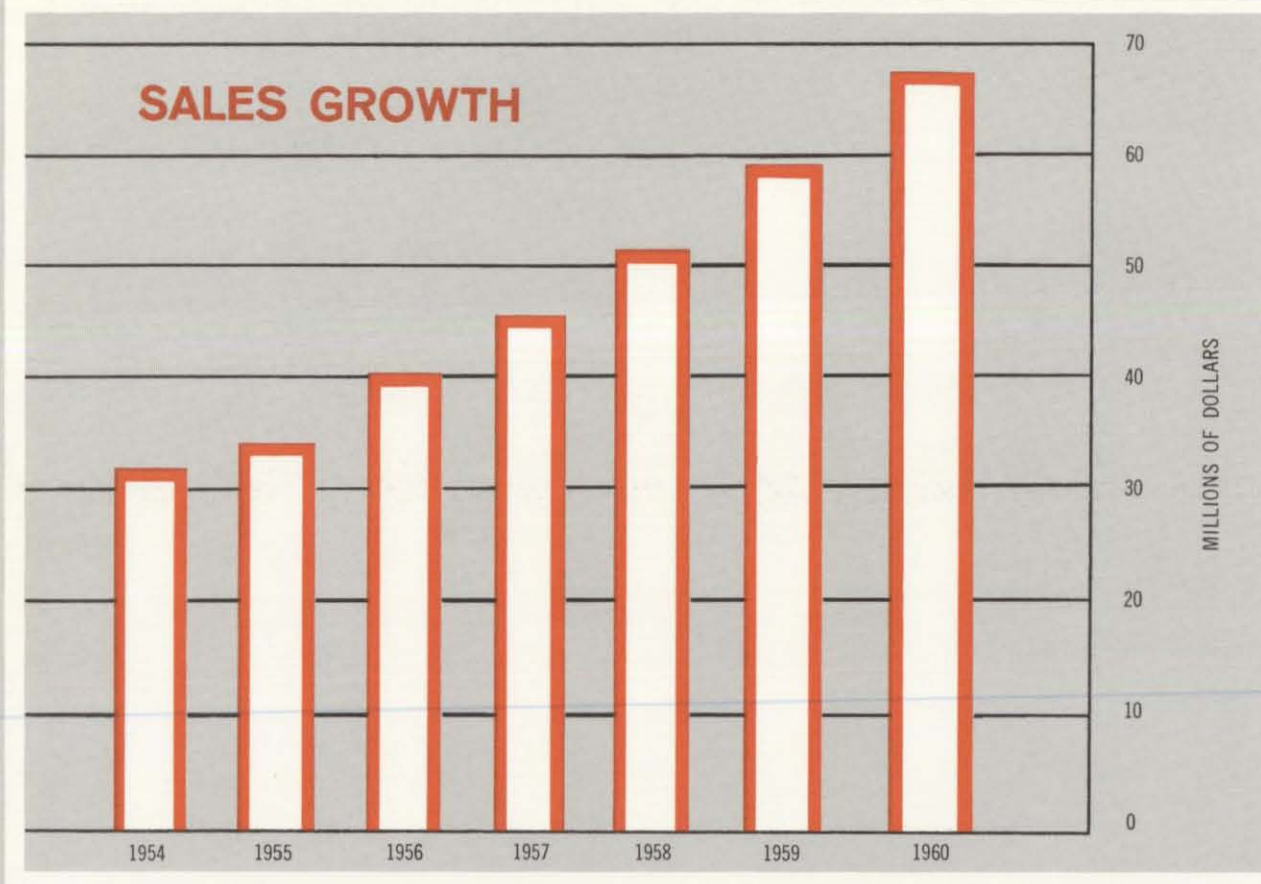


Again, in 1960, the company's advertising and merchandising programs were set up to acquaint food consumers in all parts of the nation with the fine quality, the convenient uses, and the wide-spread availability of its products. Besides extensive utilization of local advertising media, the company employed the national radio network facilities of NBC, ABC and CBS. Over these far-reaching networks of 702 stations, Fritos corn chips were featured for family uses on the programs of many of the nation's entertainment stars, news commentators, and sports announcers.

EXPANSION AND FACILITY IMPROVEMENTS — The company's expansion and facility improvement programs which have been under way for the past several years followed along two definite courses in 1960; namely, (1) intensification of sales programs and improvement of facilities in established market areas and (2) expansion of sales into new market areas heretofore not served by The Frito Company.

Greater consumer acceptance and more variance

in family usage of company products created opportunities for extending the distribution system by means of new sales routes in a number of trade areas where the company has had established sales organizations for many years. This growing demand has been substantial in the markets of the East Coast, the Great Lakes area, and also to a large extent in the original Frito trade territories of the Southwest and West. During the year, the company added 57 new sales routes in these previously established trade territories. Also, by extensions into new market areas such as northern California, Washington, Oregon, and into the Canadian provinces of Ontario and Quebec, a number of route salesmen and independent distributors were added to the distribution system. At present, the company has approximately 1,450 sales routes handling Fritos brand products in the United States and Canada, not including the routes in licensee territories, (see pages 8 and 9). Besides this, company products were placed in a number of additional military stations throughout both Europe and the Eastern world during 1960.



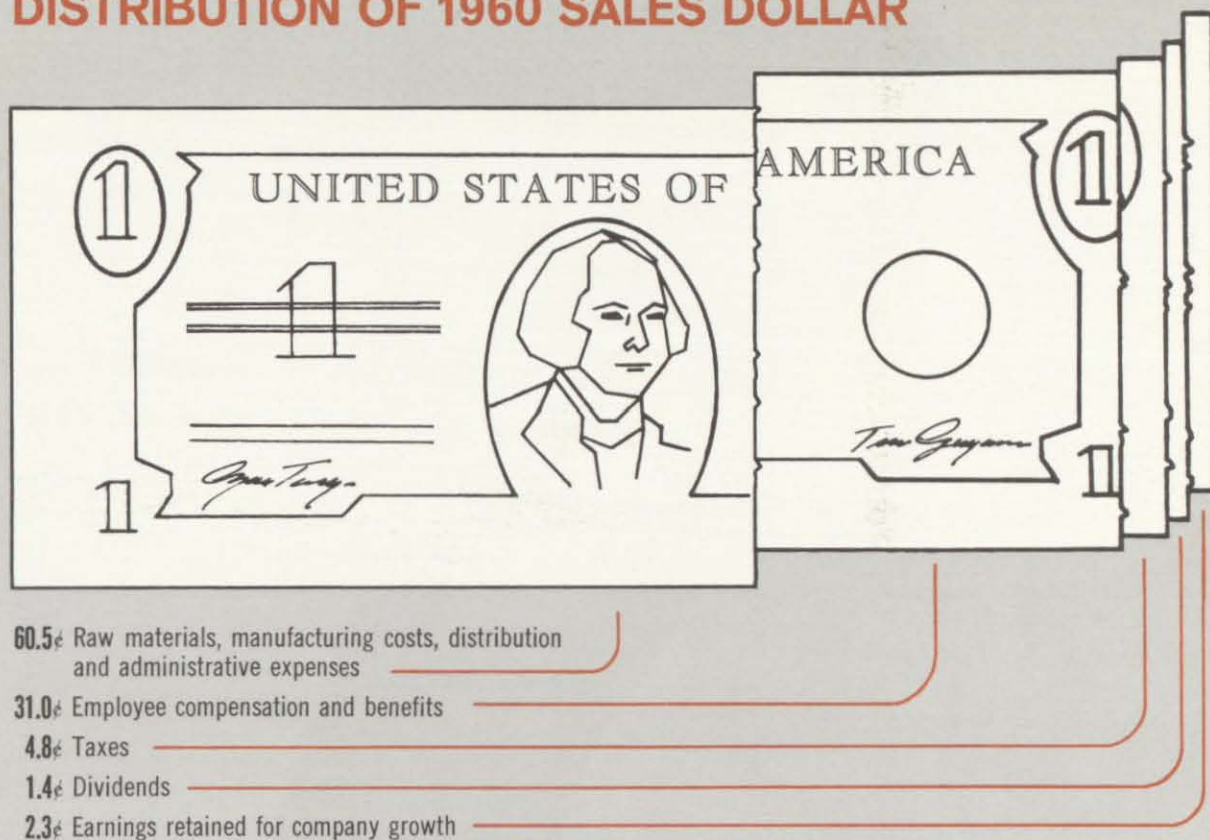
The above summary includes retroactively the accounts of all companies which have joined The Frito Company by means of "pooling of interests". The accounts of companies acquired otherwise are included from dates of acquisition.

Toward the end of 1960, work that was started a year earlier on the program for extensive improvement and expansion of production facilities in Los Angeles was completed. With this completion, the Los Angeles facility became the company's largest plant as well as the most modern corn chip and potato chip manufacturing facility in the industry. The production facilities and sanitation methods are up-to-date in every respect and have been provided with a look toward the future market potentials being created by the growing southern California population. In addition, the company built seven new sales distribution centers and a new Eastern Division office, plus a major distribution center in New Brunswick, New Jersey. It also installed several modern material handling and packaging systems designed to improve efficiency and to provide the latest in sanitation methods through the use of automatic equipment. The company also acquired a tract of land between Dallas and Fort Worth for future expansion. The need for these new facilities to supply the growing consumer demand for company products in the well-established markets caused

management to accelerate greatly the improvement programs planned three years ago. The expenditures for new facilities in these market areas should be at a much slower rate for the next two years.

For an extended period of time, management has had its attention directed toward the growing markets in the great northwestern portion of the United States and along the St. Lawrence Seaway in Canada. In June of 1960, the operations of the Northwestern Division, headquartered in San Mateo, California, were expanded into Oregon, Washington, and the contiguous states by the acquisition of two potato chip companies; namely, Williams & Co., Inc. of Seattle, Washington, and Williams & Co. of Portland, Oregon. In these transactions The Frito Company acquired the trademark "Williams," which is a well-known potato chip brand in the Northwest, a number of trained route salesmen, and two manufacturing facilities operated by experienced personnel. Later in the year, the production and sales facilities of Sunlite Food Products, Inc. of Montreal, Canada, were acquired.

DISTRIBUTION OF 1960 SALES DOLLAR



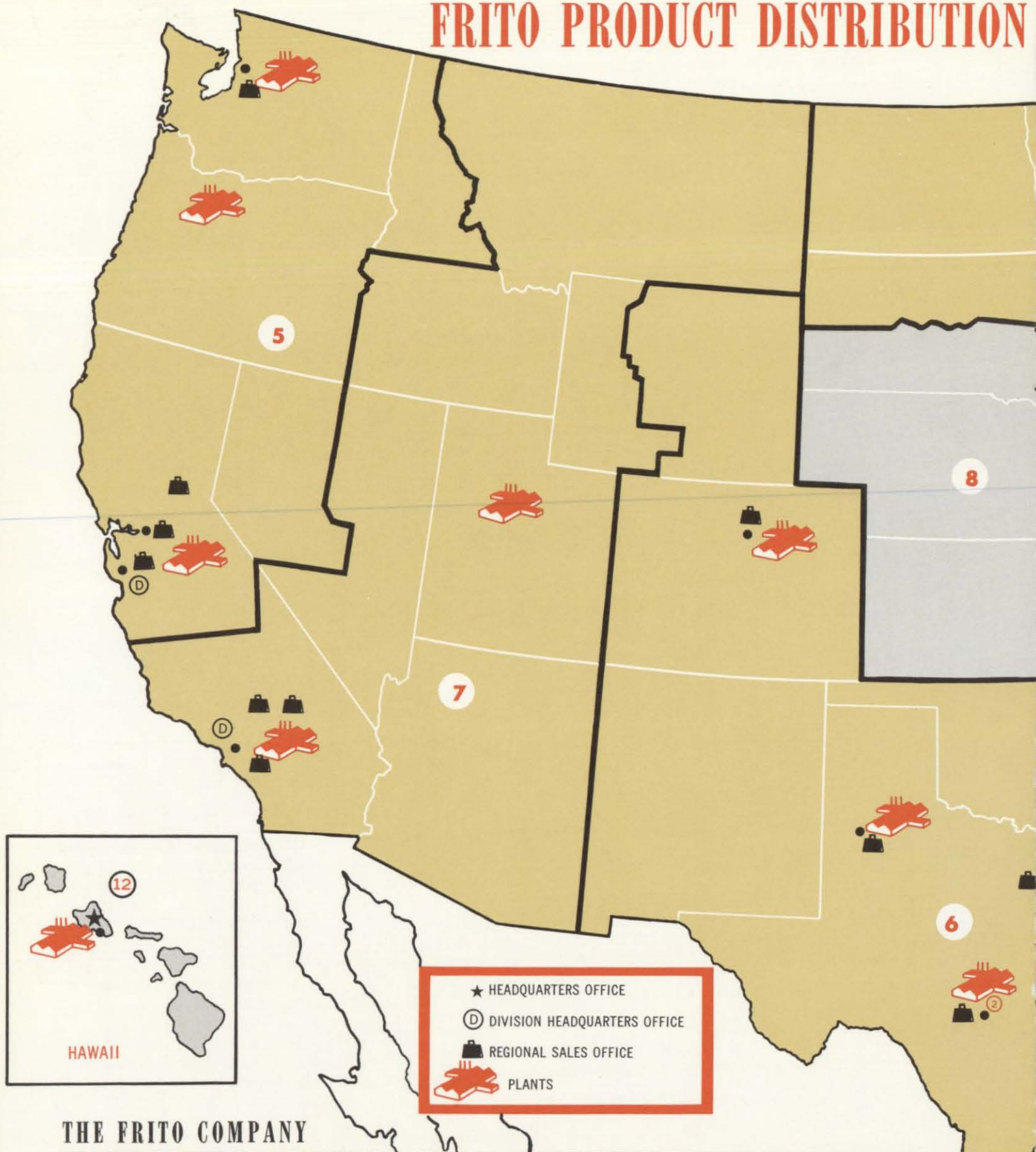
By this acquisition, Frito expanded its trade territory along the St. Lawrence Seaway, from Windsor, Ontario through and beyond the City of Quebec. Among these assets were a modern potato chip plant in Montreal, a number of sales routes with trained personnel, and the Canadian potato chip trademark, "Adams." These assets were merged with the operations of the wholly-owned subsidiary, The Frito Company of Canada, Ltd., which was organized earlier in the year. This subsidiary previously had acquired a plant site and completed arrangements to construct a distribution center to serve the Toronto trade area where a number of new sales routes had been placed into operation about July 1. The company, through its Canadian subsidiary, now has facilities to manufacture and distribute its products in a trade area where about 60 percent of the Canadian population resides.

RESEARCH — The future growth of the company and its ability to cope with the ever-increasing cost of facilities, labor, materials, and taxes depend to a very great

extent on the results of research. The vital importance of research to the success of the company's future operations causes management to devote a great deal of attention to the provision of adequate facilities for research and to the employment of highly qualified outside consultants in these fields. While the scope of research projects and the possible results therefrom cannot be widely publicized, management feels that shareholders should know that the company is expending both money and effort for research in the fields of mechanical and electronic engineering, chemical analyses, packaging materials and methods, and agricultural processes for the growing of corn, potatoes, and oil producing grains.

During the year, additional employees were added to the technical research staff; a new research laboratory, as pictured on page 10, was equipped, and a Product and Process Development Committee was appointed to provide constant appraisal and follow-up on all research projects. The Chairman of this committee is Mr. Arch C. West, who joined the company in September of 1960

FRITO PRODUCT DISTRIBUTION



THE FRITO COMPANY

The seven geographical divisions of The Frito Company distribute the principal snack products, listed below each, within their prescribed territories shown on above map.

The three product divisions, without territorial boundaries, distribute the other major company products as listed at far right.

1. CANADIAN DIVISION

FRITOS corn chips
ADAMS potato chips
NEW ERA potato chips
RUFFLES potato chips
FRITOS Brand Pretzels
FRITOS Brand Dip Mixes
CHEEZ-PONE Corn Snacks

2. EASTERN DIVISION

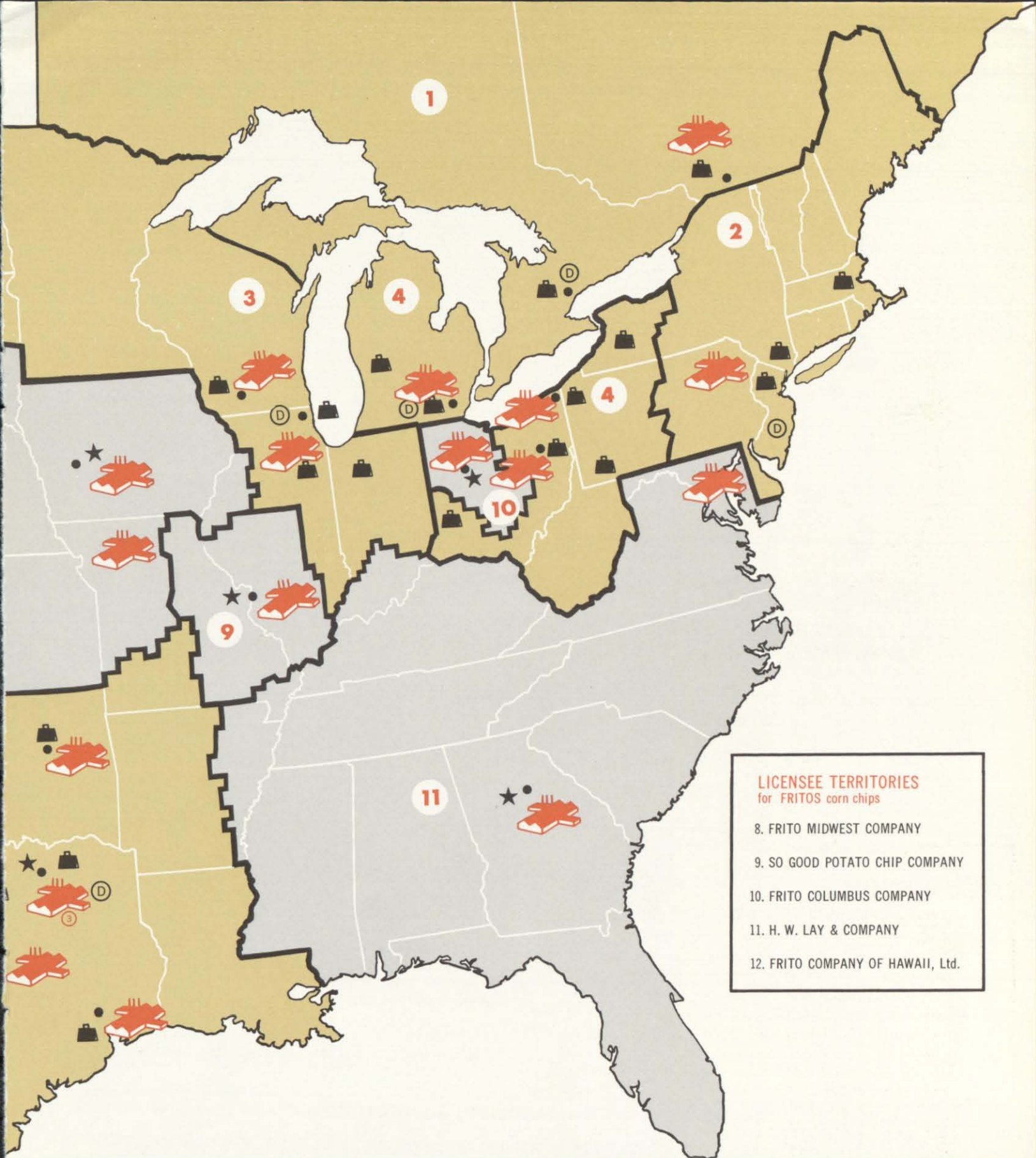
FRITOS corn chips
CHEE-TOS corn snacks
JUPITER potato chips
FRITOS Brand Pretzels
BAKEN-ETS fried pork rinds
SMALL FRIES shoestring potatoes
FRITOS Brand Dip Mixes

3. NEW ERA DIVISION

FRITOS corn chips
NEW ERA potato chips
BAKEN-ETS fried pork rinds
CHEEZ-PONE corn snacks
FRITOS Brand Pretzels
RUFFLES potato chips
FRITOS Brand Caramel Corn
SMALL FRIES shoestring potatoes
FRITOS Brand Dip Mixes

4. NICOLAY-DANCEY DIVISION

FRITOS corn chips
CHEEZ-PONE corn snacks
NEW ERA potato chips
BAKEN-ETS fried pork rinds
FRITOS Brand Pretzels
RUFFLES potato chips
SMALL FRIES shoestring potatoes
FRITOS Brand Dip Mixes



5. NORTHWESTERN DIVISION

FRITOS corn chips
RUFFLES potato chips
CHEE-TOS corn snacks
CRISPIE potato chips
WILLIAMS potato chips
SMALL FRIES shoestring potatoes
BAKEN-ETS fried pork rinds
FRITOS Brand Pretzels
FRITOS Brand Nut Meats
FRITOS Brand Dip Mixes

6. SOUTHWESTERN DIVISION

FRITOS corn chips
TA-TOS potato chips
RUFFLES potato chips
CHEE-TOS corn snacks
SMALL FRIES shoestring potatoes
BAKEN-ETS fried pork rinds
FRITOS Brand Caramel Corn
FRITOS Brand Dip Mixes

7. WESTERN DIVISION

FRITOS corn chips
CHEE-TOS corn snacks
CRISPIE potato chips
BAKEN-ETS fried pork rinds
SMALL FRIES shoestring potatoes
FRITOS Brand Pretzels
FRITOS Brand Nut Meats
FRITOS Brand Dip Mixes

CANNED FOODS DIVISION

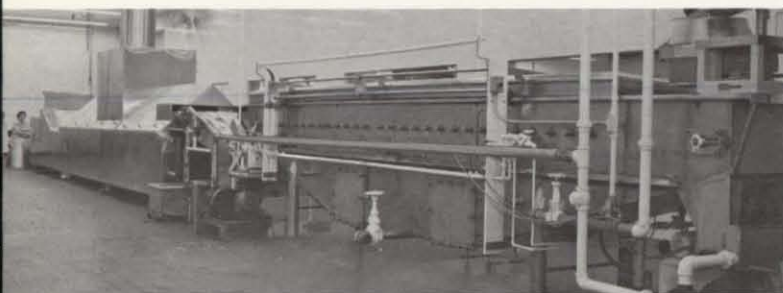
FRITOS Brand Chili
FRITOS Brand Tamales
FRITOS Brand Rice'n Spice
FRITOS Brand Barbecued Beef
FRITOS Brand Chili Pie
FRITOS Brand Bean Dip
FRITOS Brand Chopped Chicken
Liver Dip

INSTANT POTATO PRODUCTS DIVISION

New Era Instant
Mashed Potatoes

TEXAS VEGETABLE OIL DIVISION

Vegetable Oils
Shortening



Western Division headquarters of The Frito Company near the International Airport in Los Angeles. The equipment (below left) is part of the potato chip plant addition completed in 1960.



The research laboratory at Dallas where raw materials and finished products are constantly checked to maintain the highest standards of quality.

as Vice President for Marketing. Mr. West came to the company with a very good background of successful national experience in the food industry. He will devote a major portion of his time toward searching for indications of future food demands of the housewife and in correlating these findings with the intermediate and long-range operations of the company.

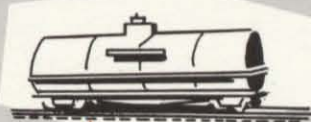
The significance of raw materials as part of operating costs is illustrated by the chart below which shows the quantities of these materials used in 1960.

ORGANIZATIONAL PATTERN AND EMPLOYEE TRAINING — For the past several years considerable attention has been devoted by management to the formation of an organizational structure capable of directing the company's nation-wide operations and flexible enough to absorb the requirements of expansion. The efficacy of proper organizational structure became even more pronounced as a result of the mergers and acquisitions made since 1955. The company is now well

organized into a headquarters staff located in Dallas, which provides counsel and functional supervision to the ten operating divisions. Three of these divisions (Canned Foods, Texas Vegetable Oil, and Instant Potato Products) are directed by general managers and function saleswise through a broker-sales type of organization without territorial limitations. The other seven divisions, with territorial boundaries, as shown on the operational map on pages 8 and 9, are directed by divisional vice presidents and operate manufacturing facilities and driver-salesman type of organizations for the sale and distribution of products.

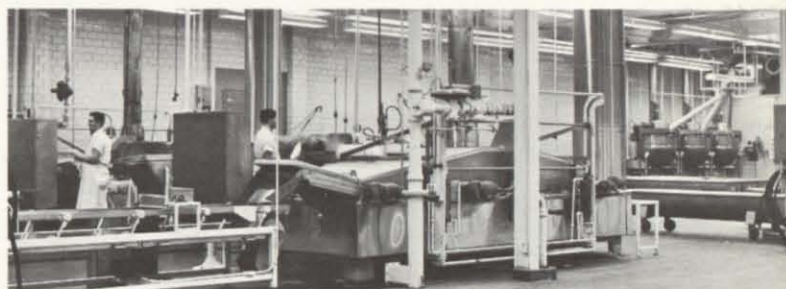
Along with this organizational development has gone a plan of delegated responsibility, the sequel of which was an intense period of training of employees to recognize and to assume the responsibilities envisaged in their functional assignments. During 1960 this training program emphasized the importance of each employee's function in the company's growth program and stressed the responsibility of the managerial function, from the

RAW MATERIALS — REQUIRED





Equipment layout and plant design is planned by specialists at the engineering department in Dallas.



Aerial photo of the Wooster, Ohio, plant showing the newly enlarged facilities for efficient production. A view (below right) of the modern manufacturing equipment used in producing Fritos corn chips.

first-line supervisor on through to the executive officers, for developing trained personnel and providing efficient and safe working conditions. The management of the company is proud of the manner in which employees have accepted the training and also recognized its importance to the employees' personal welfare as well as to the company's stability, economic efficiency, and quality of performance. Management believes that this basic policy of in-company training will permit a continual up-grading of personnel, and will allow promotions from within the company on the basis of merit and ability to perform. The company officers are proud of the 3,725 Frito employees in the United States and Canada, and believe that the skill, loyalty, and pride of belonging to the company which these employees continually exhibit, will keep The Frito Company a leader in the convenience food field.

OUTLOOK — The outlook for the future of The Frito Company appears good. The company's financial condition, organizational structure, quality of personnel,

programs of personnel training, and the growing consumer acceptance of its products all form a sound basis for higher attainments in sales and operating efficiencies. For these reasons, the management is optimistic about the future growth of The Frito Company and believes that 1961 will be another record year of accomplishments.

John D. Williamson

John D. Williamson,
President

March 31, 1961
Dallas, Texas

FOR 1960 PRODUCTION

671,700,000 PACKAGES
178,750,000 POUNDS OF POTATOES



CONSOLIDATED BALANCE SHEET

January 1, 1961

ASSETS

Current assets:

Cash		\$ 1,610,732
Receivables, less \$109,363 allowance for losses and discounts . .		3,393,387
Inventories, at lower of cost (first-in, first-out basis) or market:		
Finished goods	\$ 1,520,030	
Raw materials, supplies and other	2,489,983	4,010,013
Prepaid expenses		420,670
Total current assets		<u>9,434,802</u>

Property, plant and equipment, at cost (Note 1)	19,071,087	
Less accumulated depreciation	<u>5,820,621</u>	13,250,466

Trademarks, patents, formulas, franchises, etc.		1
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Deferred charges and other assets		950,181
		<u>\$23,635,450</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Note payable to bank, unsecured	\$ 500,000
Accounts payable and accrued liabilities	2,572,545
Federal income taxes	1,852,238
Dividend payable	247,514
Long-term debt due within one year	845,780
Total current liabilities	<u>6,018,077</u>

Long-term debt due after one year (Note 2)	3,630,285
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Deferred federal income taxes	355,431
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Shareholders' Equity:

Common stock, \$2.50 par value; 3,000,000 shares authorized, 1,650,095 shares outstanding (Notes 3 and 4)	\$ 4,125,237
Capital in excess of par value (Note 3)	1,876,671
Retained earnings (Note 2)	<u>7,629,749</u>
	<u>13,631,657</u>
	<u>\$23,635,450</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Year ended January 1, 1961

Net sales	\$68,627,186
Cost of sales	<u>41,711,565</u>
Gross profit	26,915,621
Selling, delivery, general and administrative expense	<u>21,404,779</u>
Operating profit	5,510,842
Interest expense	(247,457)
Miscellaneous income — net	<u>54,065</u>
Income before federal income taxes	5,317,450
Provision for federal income taxes (includes \$185,687 deferred taxes)	<u>2,731,264</u>
Net income	2,586,186
Retained earnings at beginning of year	<u>6,023,935</u>
	8,610,121
Less cash dividends, \$0.60 per share	<u>980,372</u>
Retained earnings at end of year (Note 2)	<u>\$ 7,629,749</u>

See accompanying notes.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

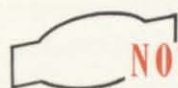
The Board of Directors,
The Frito Company:

We have examined the accompanying consolidated balance sheet of The Frito Company and subsidiaries at January 1, 1961 and the related consolidated statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of The Frito Company and subsidiaries at January 1, 1961 and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG & COMPANY

Dallas, Texas
February 25, 1961



NOTES TO FINANCIAL STATEMENTS

1. Property, plant and equipment

Property, plant and equipment at January 1, 1961 and the related accumulated depreciation were as follows:

	Cost	Depreciation
Land	\$ 1,041,659	
Buildings	6,674,391	\$1,111,291
Manufacturing equipment	7,358,037	2,848,730
Transportation equipment	2,155,207	1,240,003
Office equipment and miscellaneous	1,395,979	620,597
Construction and shop orders in process	445,814	—
	<u>\$19,071,087</u>	<u>\$5,820,621</u>

Depreciation and amortization provided during the year amounted to \$1,394,156.

2. Long-term debt

A \$3,900,000 unsecured promissory note bears interest at 5% and, as amended in 1960, is due \$750,000 in 1961, \$1,300,000 in 1962 and \$850,000 in 1963 with \$1,000,000 or the unpaid balance being due on May 1, 1964. In addition, on or before 120 days after the end of fiscal years 1961 and 1962, payments (not to exceed \$600,000 per year) are due equal to 33⅓% of the net profits (as defined) for each such year, provided further that if such additional payments are less than the maximum amount, the difference will be added to the maximum for the succeeding year. The loan agreement requires the maintenance of certain ratios and minimum net working capital, prohibits the purchase of the company's own stock and limits the payment of cash dividends. At January 1, 1961, \$512,721 of retained earnings was free of the most restrictive of the above provisions.

The balance of the company's long-term debt at January 1, 1961 consisted of various instalment notes aggregating \$576,065 with \$95,780 being due within one year.

3. Common stock and capital in excess of par value

Changes in common stock and capital in excess of par value during the year are summarized as follows:

	Common stock		Capital in excess of par value
	Shares	Amount	
Balance at beginning of year	1,598,059	\$3,995,148	\$1,395,565
Add:			
Shares issued on acquisition of distributorship and territorial distribution contracts	16,621	41,552	312,603
Shares issued on exercise of employees' stock options	35,415	88,537	168,503
Balance at end of year	<u>1,650,095</u>	<u>\$4,125,237</u>	<u>\$1,876,671</u>

4. Stock options

At January 1, 1961, there were outstanding and exercisable options expiring in 1969 as to 37,500 shares of common stock granted to two officers in 1959 at \$21.37½ per share. During the year, options as to 14,000 shares of common stock granted to an officer in 1957 at \$6.95 were exercised.

In 1957, the company adopted a stock option plan, to remain in effect until April 29, 1963, under which options may be granted up to 10% of the outstanding shares of common stock of the company. Options granted under the plan shall be for a period not exceeding 10 years at prices which are not less than 85% of the fair market value on date of grant and are exercisable in annual instalments or on such other basis as the company may determine. Under the plan, options covering 3,000 shares were granted in 1960 at \$24.24 per share (being 85% of market on date of grant) and options as to 21,415 shares were exercised at \$6.92½ to \$15.63. At January 1, 1961, there were outstanding under the plan options as to 71,118 shares at prices ranging from \$6.92½ to \$24.24 and options as to 9,225 shares were exercisable at prices ranging from \$6.92½ to \$15.63. In January 1961, additional options as to 14,600 shares were granted at \$26.57 per share.

No charge has been made against income in accounting for the stock options.

OFFICERS



JOHN D. WILLIAMSON
President



FLADGER F. TANNERY
Executive Vice President



R. V. DANCEY
Senior Vice President



ARCH C. WEST
Vice President for Marketing



JACK JOHANNES
Vice President and General Counsel



JOHN R. MCCARTY
Vice President for Advertising



JACK L. KELLEY
Vice President for Sales



W. LAMAR LOVVORN
Secretary and Controller



EMIL JURICA
Treasurer

DIVISIONAL OPERATING VICE PRESIDENTS



GEORGE EDMONDS
New Era Division



GEORGE H. HUTCHINGS
Northwestern Division



RUSSELL C. MILLER
Nicolay-Dancey Division



GEORGE P. PARKER
Western Division



HARRY M. TUNSTALL
Southwestern Division

IN MEMORIAM

Ernest L. Nicolay, vice president and director of The Frito Company, passed away suddenly at his home in Grosse Pointe, Michigan, on the morning of October 20, 1960.

Mr. Nicolay was a pioneer in the potato chip industry and co-founder of Nicolay-Dancey, Inc. which merged with The Frito Company in 1958. His contributions to our industry were many, varied and most valuable. He will be long remembered and sorely missed, not only in our company but by all his many friends in the industry he helped so much to build.

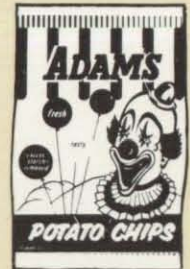


FRED J. WEISS*
Canadian Division



R. L. WILLIS
Eastern Division

*The Frito Company of Canada, Ltd.



PRINCIPAL PRODUCTS OF THE FRITO COMPANY

